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Canada in World Affairs

BY JAMES FREDERICK GREEN

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with the aid of the Research Staff of the Foreign Policy Association

THE proposal made by the United States on May 31 for negotiation of a new St. Lawrence waterway treaty emphasizes the growing economic and political importance of Canada in world affairs. Beginning with the seventeenth century, when the French and British empires fought for control of North America, through the nineteenth and twentieth centuries, when British and American capital aided the construction of railways and factories, the Canadian economy has been of considerable importance in international investment and trade.¹ Canada has made impressive strides in industrialization, and to its exports of foodstuffs and raw materials has added such manufactures as motor cars, newsprint and machinery. Since the World War, the Dominion of Canada has usually taken fifth or sixth place in international trade, and ranked second in per capita exports. Not only as trader, but as senior Dominion in the British Commonwealth and member of the League of Nations, Canada is inevitably concerned in political developments throughout the world and influences, at least indirectly, both European and Asiatic diplomacy. The increasing danger of another world war, in which Canada's foodstuffs and munitions might again play a very important rôle, lends particular interest to Canadian foreign policy. Confronted with great internal disunity and uncertain imperial obligations, the Dominion is anxiously debating the future in terms of isolation, empire solidarity, collective security, neutrality, and defense of democracy.²

1. For general histories of Canada, cf. George M. Wrong, *The Canadians: The Story of a People* (New York, Macmillan, 1938); Carl Wittke, *A History of Canada* (New York, F. S. Crofts, 1933); Alexander Brady, *Canada* (New York, Scribner's, 1932); *The Cambridge History of the British Empire* (London, Cambridge University Press, 1930), Vol. VI.

2. This report, the first study of Canadian affairs published by the Foreign Policy Association, analyzes Canada's external relations; a forthcoming issue of *Foreign Policy Reports* will discuss internal economic and political developments in Canada.

BASES OF CANADIAN FOREIGN POLICY

Since Canada has only recently obtained control of its foreign relations and has not yet played a dominant rôle in international events, many of its citizens would probably deny the existence of a "foreign policy."³ Yet the relations of the Dominion with other members of the Empire and with foreign countries, especially the United States, have become increasingly important since the World War, and have already been carefully analyzed by a number of publicists.⁴ Among essential factors determining Canadian policy regarding international problems, with particular reference to a possible general war, may be mentioned the following.⁵

Geographic: Although Canada has historically descended from European cultures and is politically related to a world-wide empire, it belongs geographically to the North American continent and benefits from the isolation afforded by two vast oceans. Since 1763, when the French withdrew from North America (except for Miquelon and

3. "I do not like at all the term 'foreign affairs' in relation to Canada. Perhaps I am out of date, but it seems to me very presumptuous for us to be talking about a foreign policy. Professors write very learned books and magazine articles on the subject. . . . I do not want to minimize our strength and our growing consequence, but this picture of Canada constantly assuming to lead democracies in matters of foreign affairs is really pretty tiresome. We had better realize just where we are and what we amount to, and behave accordingly." Senator Meighen, former Prime Minister, quoted in the *Winnipeg Free Press*, March 26, 1938.

4. For the first comprehensive survey of Canada's external relations, cf. R. A. MacKay and E. B. Rogers, *Canada Looks Abroad* (New York, Oxford, 1938), an excellent volume published under the auspices of the Canadian Institute of International Affairs.

5. Cf. F. R. Scott, "The Permanent Bases of Canadian Foreign Policy," *Foreign Affairs*, July 1932, pp. 617-31; E. J. Tarr, "Canada in World Affairs," *International Affairs*, September-October 1937, pp. 676-97; and J. A. Stevenson, "Canadian Foreign Policy," *Pacific Affairs*, June 1934, pp. 153-62; Canadian Institute on Economics and Politics, *World Currents and Canada's Course* (Toronto, Thomas Nelson, 1938).

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St. Pierre islands in the Gulf of St. Lawrence), Canada has not been invaded from overseas, and only twice—in the Boer War and World War—has sent troops across the Atlantic. Canada's land frontiers, marching over 5,000 miles with those of the United States in the south and Alaska in the northwest, have remained unfortified for many decades. The danger of annexation by the United States diminished after the defeat of American aggression in the War of 1812, and virtually disappeared after Confederation in 1867 and completion of the Canadian Pacific railway in 1885. Vast forests and arctic regions to the north have provided another impregnable boundary, although the development of trans-polar aviation may eventually raise the problem of defense in that area.⁶

Demographic: In area Canada is the fourth largest country in the world; yet in 1936 it contained a smaller population than New York State. Of its 11,028,000 inhabitants, over 6½ million, or 60 per cent, resided in Quebec and Ontario.⁷ As the area of greatest density consists of a narrow strip of land, rarely over 200 miles in width running parallel to the American border,⁸ Canada is frequently called a "country without depth." Not only has this uneven distribution created serious obstacles to national unity, but the small population density of the Dominion's total area (slightly more than 3 persons per square mile) creates a misleading impression of the practicability of large-scale immigration from the "over-populated" countries in Europe and Asia.

Severe unemployment during the depression, reaching a peak in 1933, and continued distress throughout the drought-stricken prairie provinces indicate that Canada cannot at present be considered an "under-populated" country, capable of receiving large numbers of either farmers or laborers.⁹ Although Canada absorbed great numbers of European immigrants in the nineteenth century and especially just before the war, depression and

legal restrictions have almost ended the movement in recent years.¹⁰ Particularly significant has been the heavy loss of population: while Canada received 5 million immigrants from 1901 to 1931, 3½ million people, approximately one-third of its present population, emigrated to the United States or returned to Europe.¹¹ Unless a revival of international trade should initiate a long period of prosperity in Canada, it seems unlikely that either immigration or natural increase will accelerate the present growth of population. Consequently the Dominion cannot be expected in the near future to become either a great power or a haven for the peoples of overpopulated states.¹²

Ethnic: Heir of both the French and English colonial empires, Canada constantly seeks to combine two cultural and political communities into a national unit.¹³ This ethnic division, probably the most important single factor in nearly every Canadian domestic and foreign problem, sharply curtails the government's freedom of action in international affairs. The French Canadians, comprising about 30 per cent of the population and situated predominantly in Quebec, are jealous of their rights as a minority and oppose any extension of Canada's commitments to the Commonwealth or the League. The memory of conscription and distasteful methods of recruiting during the World War has not disappeared in Quebec, and creates a formidable obstacle to immediate and complete mobilization in the event of another overseas conflict.¹⁴ This ethnic tension is exacerbated by the religious allegiances of the population, 40 per cent of which, including in addition to the French Canadians persons of Irish and English origin, belongs to the Catholic church. During the Italo-Ethiopian conflict, French Canadian opinion was isolationist or pro-Italian in contrast to the pro-

10. IMMIGRATION INTO CANADA			
1911	331,228	1934	12,476
1912	375,756	1935	11,277
1913	400,870	1936	11,643

The Canada Year Book, 1937, cited, p. 194.

11. Cf. R. H. Coats, "The Two Good Neighbors: A Study of the Exchange of Populations," in *Conference on Canadian-American Affairs*, cited, pp. 106-22; André Siegfried, *Canada* (New York, Harcourt Brace, 1937), pp. 47-63, 107-26; MacKay and Rogers, *Canada Looks Abroad*, cited, pp. 50-68.

12. The Canadian government has been exploring the possibility of inviting assisted immigration of British and even German settlers, but no action has been taken. *New York Herald Tribune*, November 21, 1937.

13. Cf. Siegfried, *Canada*, cited, pp. 64-106, 252-97, and his earlier and more thorough treatment of the ethnic problem, *The Race Question in Canada* (London, E. Nash, 1907); J. A. Stevenson, "Sectional Factors in Canadian Foreign Policy," *Foreign Affairs*, July 1938, pp. 667-78.

14. Cf. Elizabeth H. Armstrong, *The Crisis of Quebec, 1914-1918* (New York, Columbia University Press, 1937).

6. Cf. H. P. Smolka, "Soviet Strategy in the Arctic," *Foreign Affairs*, January 1938, pp. 272-78; and D. M. Le Bourdais, "Canada's New Front Door," *Canadian Magazine*, March 1938, pp. 9, 39-40.

7. Canada, Dominion Bureau of Statistics, *The Canada Year Book*, 1937 (Ottawa, King's Printer, 1937), p. 153. Estimates for 1936 based on the 1931 census, which showed a population of 10,376,786.

8. Cf. Griffith Taylor, "Topographic Structure Along the International Boundary," in *Conference on Canadian-American Affairs*, Queen's University, 1937 (New York, Ginn, 1937), pp. 70-87.

9. For a thorough analysis of this problem, cf. the essays prepared under the auspices of the Canadian Institute of International Affairs for the tenth session of the International Studies Conference, in H. F. Angus, ed., *Memorandum on Canada and the Doctrine of Peaceful Change* (Paris, International Institute of Intellectual Cooperation, 1937, mimeographed).

League attitude of English-speaking Canada; in the Spanish civil war, Quebec has almost unanimously sympathized with the Franco cause. If Great Britain should find it necessary to fight Italy, especially in alliance with the Soviet Union, Quebec's loyalty to the Vatican might make it difficult for the Canadian government to pursue a consistent policy.

Canada's traditional attachment to the British Commonwealth is being weakened further by the population trend of recent decades. Persons of English-speaking origin are now only 50 per cent or less of the total population, and are slowly losing ground.¹⁵ The French-speaking inhabitants will probably continue, owing to their remarkably high birth rate, to increase their position in the Dominion. Other non-British inhabitants, including German, Scandinavian and Ukrainian groups, now comprise 20 per cent of the total and also have a higher birth rate than British descendants. The increasing heterogeneity of the population suggests that, in the future, Canada may become less securely linked to Britain and more inclined to adopt an isolationist stand.¹⁶

Like the United States, Canada has been frequently embarrassed in its foreign relations by the question of Oriental immigration, which has acquired considerable political importance because of popular sentiment on the West Coast.¹⁷ Chinese immigration was severely restricted before the war and prohibited in 1923. East Indians, even citizens of British India who are subjects of the King, are virtually excluded. Japanese immigration has been controlled by means of a gentlemen's agreement, concluded in 1907 and revised in 1928, by which Japan voluntarily limits the issuance of passports. Although Japanese immigrants have averaged less than the annual quota, which was reduced from 400 to 150 in 1923, agitation has arisen in British Columbia for complete exclusion.¹⁸ Two bills intended to place the Japanese on the same basis as the Chinese have been defeated in the Dominion Parliament during recent months.¹⁹ In reply to constant allegations in British Columbia that large numbers of Japanese are being smuggled into the

country, the government has appointed a special committee of investigation, under the chairmanship of Dr. H. L. Keenleyside of the Department of External Affairs.²⁰ The number of Japanese resident in British Columbia is relatively small—22,205 in the 1931 census—but the possibility of increasing dissension on the West Coast, arising in part from the economic competition made possible by a lower standard of living, may have an unfavorable effect on the government's trans-Pacific policy. This difficulty is heightened by the perennial conflict over salmon fishing on the Pacific Coast, where Canadians assert that Japanese fishermen are using illegal nets and floating cannery factories, damaging the salmon supply and jeopardizing the livelihood of British Columbia fishermen.²¹

Economic: Canada's political relations are influenced by two outstanding and closely connected factors in its national economy—heavy foreign indebtedness and dependence on export trade.²² The Dominion's foreign indebtedness in 1936 totaled \$6,834 million, one of the highest per capita foreign debts in the world.²³ Even though balanced in part by Canadian investments abroad, totaling \$1,656 million, the net foreign debt amounted to \$5,177 million. This accumulation of foreign capital, which in the past has served to purchase railway equipment and machinery for farm and factory, now places a heavy burden—in the form of debt service—on Canada's balance of international payments. Approximately one-third of the country's production must find markets abroad, in order to pay for the heavy imports and provide a surplus for meeting the annual interest and dividend payments of \$250 million in London and New York.²⁴ The distribution of this enormous indebtedness—\$3,985 million to the United States; \$2,725 million

20. *Ibid.*, March 16, 1938.

21. *New York Times*, March 6, 1938; cf. "The Case for White Canada," an editorial from the *Vancouver Sun*, reprinted in the *New York Journal and American*, March 10, 1938. For the background of the fisheries question, cf. Edward Weber Allen, "The North Pacific Fisheries," *Pacific Affairs*, June 1937, pp. 136-51.

22. For general studies of Canada's economic problems, cf. Mary Q. Innis, *An Economic History of Canada* (Toronto, Ryerson Press, 1935); H. A. Innis and A. F. W. Plumptre (eds.), *The Canadian Economy and its Problems* (Toronto, Canadian Institute of International Affairs, 1934); and H. A. Innis, *The Problems of Staple Production in Canada* (Toronto, Ryerson Press, 1933); Herbert Heaton, *A History of Trade and Commerce, with Special Reference to Canada* (Toronto, T. Nelson, 1928).

23. Canada, Dominion Bureau of Statistics, *Canada 1938: The Official Handbook of Present Conditions and Recent Progress* (Ottawa, King's Printer, 1938), p. 27.

24. Canadian Bank of Commerce, *Monthly Commercial Letter*, August 1937, pp. 6-7.

15. ETHNIC ORIGINS.

	1921	1931	% increase
British	4,868,738	5,381,071	10.5
French	2,452,743	2,927,990	19.1
Other	1,466,468	2,067,725	41.6
	8,787,949	10,376,786	18.0

Source: *The Canada Year Book*, 1937, cited, pp. 112-13.

16. Cf. F. R. Scott, "Canada's Future in the British Commonwealth," *Foreign Affairs*, April 1937, pp. 429-42.

17. *The Canada Year Book*, 1937, cited, pp. 205-207.

18. *Christian Science Monitor*, February 3, 1938.

19. *Ibid.*, June 1, 1938.

to Great Britain; \$124 million to other countries—forges strong economic and political ties with the creditor countries. The Canadian economy is similarly affected by the tourist trade, which in 1936 brought \$250 million northward across the border, balanced by only \$85 million carried by Canadians into the United States.²⁵ Canada's currency, credit, and trade thus depend to a peculiar degree on American and British developments.²⁶

From the earliest days of exploration, marked by extensive fish and fur trade, to the present period when both raw materials and manufactured goods are produced, Canada has been primarily an exporting country.²⁷ For the fiscal year ending March 31, 1938, Canada's exports totaled \$1,084,821,204—the highest since 1930.²⁸ Since wheat and flour products have been for thirty years the most important article of export, Canada is vulnerable not only to climatic conditions in the prairie provinces, but also to the competition of other wheat-growing countries. The rapid development of industrialization, however, gives first place to manufactured products. Of the 1936 exports, manufactures accounted for 38.2 per cent, semi-manufactures 30.7 per cent, and raw materials 31.1 per cent.²⁹ Not only have Canadians undertaken the processing of their own primary products, such as flour-milling and paper-making, but they are processing rubber, sugar and other imported materials.³⁰ As a "mature debtor country" engaged in

interest and amortization payments, the Dominion must continue for many years to develop foreign markets and maintain its export balance of trade, requiring a continued interest and participation in international affairs.³¹

Canada's close relationship with Great Britain and the United States is particularly striking in the sphere of foreign trade. These two countries in 1937-1938 accounted for 79.1 per cent of Canadian imports and 77.8 per cent of its exports. In its trade with the United Kingdom, Canada ordinarily has a large export surplus, resulting primarily from shipments of wheat and flour; this surplus amounted to \$364 million in 1937-1938. Canada normally has a heavy import surplus from the United States, by far the largest supplier in the Canadian market, amounting to \$64 million in 1937-1938. Many Canadian industries, such as the newsprint mills, are especially dependent on exports to the United States and have already been affected by the American business recession.³² Exports to the Far East rarely account for more than 4.5 per cent of total Canadian exports, but have been somewhat increased by the Sino-Japanese war.³³ Because of the poor showing of Canadian products in Latin America, improvement of marketing methods is being urged.³⁴ Similar suggestions are being made for increased advertising and more effective merchandizing in the London market.³⁵

DISTRIBUTION OF CANADIAN TRADE—1937-38 (in thousands of Canadian dollars)

	Imports	%	Exports	%	Re-Exports	%
Empire countries	\$233,173	29.2	\$517,439	48.3	\$2,067	14.2
Foreign countries	565,896	70.8	552,789	51.7	12,525	85.8
United Kingdom	144,978	18.1	409,412	38.3	1,371	9.4
United States	487,328	61.0	423,130	39.5	11,954	81.9

Summary of the Trade of Canada, March, 1938, cited, pp. 6-7.

25. *The Canada Year Book, 1937*, cited, p. 585.

26. Cf. MacKay and Rogers, *Canada Looks Abroad*, cited, pp. 13-37; and Siegfried, *Canada*, cited, pp. 193-221.

27. Cf. Henry Laureys, *The Foreign Trade of Canada* (Toronto, Macmillan, 1929).

28. Canada, Dominion Bureau of Statistics, *Summary of the Trade of Canada, March, 1938* (Ottawa, King's Printer, 1938), p. 4.

29. *The Canada Year Book, 1937*, cited, p. 521.

30. The following were the most important Canadian exports in the fiscal year 1936: wheat, newsprint paper, non-monetary gold bullion, nickel, wood pulp, planks and boards, fish, meats, motor cars, copper in forms, wheat flour, whiskey, raw furs, silver ore and bullion, and fruits—chiefly apples.

The leading imports were as follows: crude petroleum, coal, rolling mill products, motor car parts, machinery (excluding farm), fruits, sugar and products, raw cotton, cotton goods, vegetable oils, and woolen goods. *The Canada Year Book, 1937*, cited, pp. 515, 518.

31. Cf. A. L. Neal, "Four Million Dollars a Day: A Review of Canada's Export Trade," *Canadian Geographical Journal*, August 1937, pp. 58-73.

32. It is estimated that, owing to the recession in the United States, Canadian business activity has declined 8 per cent in recent months as compared with the corresponding period last year. The effect on exports, in which the newsprint industry plays a large part, is shown as follows: April 1938, \$56.2 million; March 1938, \$75.1 million; April 1936, \$66.9 million. Bank of Montreal, *Business Survey*, May 23, 1938.

33. *The Canada Year Book, 1937*, cited, p. 513. Canada's exports to Japan have increased from \$21.6 million in 1936-1937, to \$26.6 million in 1937-1938. Exports to China have decreased from \$4.8 million in 1936-1937, to \$3.3 million in 1937-1938. (Fiscal years.) *Summary of the Trade of Canada, March, 1938*, cited, pp. 6-7.

34. J. A. Morton, "Foreign Trade at a Bargain," *Canadian Business*, February 1938, pp. 58-66.

35. *New York Herald Tribune*, December 19, 1937.

Like the United States, Canada has sought to combine its expansion of export markets with protection of domestic industries. The basic Canadian tariff of 1907 provided for three schedules of duties: general rates, now applied to very few countries; intermediate rates, for foreign countries with which bargaining agreements are negotiated; imperial preferences, for Empire countries.³⁶ Preferential margins have been extended to virtually every part of the Empire, and a particularly advantageous position was accorded to Great Britain under the Ottawa arrangements of 1932.³⁷ The British-Canadian treaty, revised in 1937, provides a free market for Canada's agricultural products in return for free or preferential duties on British industrial goods in the Canadian market. Through most-favored-nation treaties, thirty-four countries have received the benefit of Canada's intermediate rates, as well as the even lower rates which have been granted to France, Poland and the United States. The Canadian-American treaty, concluded in 1935, granted to the United States the intermediate duties on over 700 items, free entry of 15 products, and bound or reduced duties on almost 200 additional products.³⁸ The United States, in return, agreed to continue 21 Canadian products—including newsprint, pulpwood and furs—on the free list, and offered reduction on many others. The agreement has proved beneficial to both parties, and a new treaty is under negotiation in Washington at the present time.³⁹

RELATIONS WITH THE EMPIRE

In view of these basic factors—geographic, demographic, ethnic and economic—Canada's external relations involve primarily Great Britain and the United States, and to a lesser extent the League of Nations. As the oldest and largest of the dominions, Canada has contributed greatly to the process of transforming the Empire of dependent colonies into the Commonwealth of autonomous

nations.⁴⁰ Since confederation in 1867, the Dominion has gradually increased its control over domestic and foreign policy, until today only a few vestiges of imperial authority remain.⁴¹ The movement for independent control of external relations gained impetus in 1896-1911, when the Prime Minister, Sir Wilfrid Laurier, continually resisted the efforts of Joseph Chamberlain, British Colonial Secretary, to tighten the bonds of empire and centralize authority. In 1909 a Department of External Affairs was established, and in 1912 the office of Secretary of State for External Affairs was created, to be held by the Prime Minister.

International recognition of Canadian autonomy was achieved at the Paris Peace Conference, where each of the self-governing dominions—except Newfoundland—was granted separate representation and signature, as well as individual membership in the League of Nations.⁴² Canada established an additional precedent in 1923, when the Halibut Fisheries Treaty with the United States was negotiated and signed without the participation of British diplomatic representatives.⁴³ Treaties with foreign countries had previously been negotiated by Dominion agents, but this was the first occasion of independent signature, as the Canadian government secured for its representative, Mr. Lapointe, "full powers" of signature and subsequent ratification by the King. Canada assumed further control of its external relations in 1926 by establishing a legation in Washington, followed by legations at Paris in 1928 and Tokyo in 1929.⁴⁴ A High Commissioner has been maintained in London since 1890, and a Canadian Advisory Officer in Geneva since 1924. The government recently submitted proposals in Parliament for establishing legations in Brussels and the Hague, with one Minister in charge of both offices.

Since the war, Canada has consistently refused to assume obligations with regard to issues in which it has no direct interest. The full implications of Dominion status became apparent during the Chanak episode of 1922, when the British government, under Lloyd George, requested military assistance from the dominions in the event of an

36. For a concise summary of Canadian tariff policy, cf. *The Canada Year Book*, 1937, cited, pp. 484-94.

37. Cf. James Frederick Green, "Britain's Foreign Trade Policy," *Foreign Policy Reports*, January 15, 1938, p. 252.

38. Cf. H. C. Goldenberg, "The Canada-United States Trade Agreement," *Canadian Journal of Economics and Political Science*, May 1936, pp. 209-20; David H. Popper, "The Hull Trade Program," *Foreign Policy Reports*, October 15, 1936, pp. 192-94.

39. Cf. Herbert Feis, "A Year of the Canadian Trade Agreement," *Foreign Affairs*, July 1937, pp. 619-35.

40. Cf. R. MacGregor Dawson, *The Development of Dominion Status* (New York, Oxford, 1937); Alexander Gordon Dewey, *The Dominions and Diplomacy: the Canadian Contribution* (New York, Longmans Green, 1929); Sir Robert Borden, *Canada in the Commonwealth* (New York, Oxford, 1929); Arnold J. Toynbee, *The Conduct of British Empire Foreign Relations Since the Peace Conference* (London, Oxford, 1928).

41. Several of these "vestiges" are of the greatest importance: the war-making power, discussed on p. 91; the treaty-making power; decisions of the Privy Council; and amendment of the British North America Act, to be discussed in a forthcoming issue of *Foreign Policy Reports*.

42. Dewey, *The Dominions and Diplomacy: the Canadian Contribution*, cited, pp. 1-61.

43. *Ibid.*, pp. 137-47.

44. Gerald E. H. Palmer, ed., *Consultation and Co-operation in the British Commonwealth* (London, Oxford, 1934), pp. 32-41; H. L. Keenleyside, "Department of External Affairs," *Queen's Quarterly*, Winter 1937-38, pp. 483-95.

impending war with Turkey.⁴⁵ The Canadian Cabinet declined to send a contingent without approval of Parliament, and the conflict was settled amicably before a decision was required. When the Treaty of Lausanne was signed by Britain and Turkey in 1923, Canada was not represented and declined to approve the treaty for ratification.⁴⁶ Although legally bound by an Empire treaty, Canada contended that it assumed no moral obligations for its fulfillment. The Locarno treaties, which Britain negotiated in 1925, specifically exempted the dominions from any obligations, which none of them subsequently assumed.⁴⁷

Despite the fact that constitutional relations within the British Commonwealth have been profoundly altered through the Statute of Westminster, adopted in 1931, the location of the war-making power has not been precisely defined.⁴⁸ It is generally agreed that a declaration of war by the Crown on the advice of its British Ministers is still binding on Canada, even if the latter does not actively participate in the hostilities.⁴⁹ The Dominion would be required to intern enemy ships, abstain from trading with the enemy, as well as allow the British navy full use of the bases at Halifax and Esquimalt. Being thus technically a belligerent in any war in which the United Kingdom is involved, Canada may find it difficult to abstain from active participation in a future conflict. Critics of the Dominion government favor a definitive settlement of this issue, which would give Canada the power to declare neutrality if it so desires, thus creating a basis for a more coherent foreign policy in the face of eventual emergencies.⁵⁰ Acting on the theory of the divisibility of the Crown, the Union of South Africa and Eire have already sought through legislative means to secure for themselves the power of declaring either belligerency or neutrality. No action has yet

been taken in this direction by the Canadian government, probably on the ground that discussion now would both aggravate internal dissension and embarrass the British government.⁵¹

RELATIONS WITH THE UNITED STATES

Political relations between Canada and the United States center about a common frontier which for several generations has remained unfortified.⁵² Although considerable friction has arisen over demarcation of the boundary and concomitant problems—such as river and lake navigation, fishing, water power and smuggling—it has become an axiom of North American politics that “war is unthinkable” between the two countries. Since 1909, the International Joint Commission—composed of six members, three of whom are chosen by Canada and three by the United States—has been empowered to act both as a committee of inquiry regarding any controversy between the two countries, and as a board of arbitration for their disputes.⁵³

The project for developing the navigation and power facilities of the Great Lakes-St. Lawrence waterway, outlined in a draft treaty which Secretary Hull submitted to the Canadian government on May 31, 1938, has been under discussion for many years.⁵⁴ A previous treaty, negotiated in 1932 by Secretary Stimson and the Canadian Minister, Mr. W. D. Herridge, failed in 1934 to secure the consent of the United States Senate for ratification. This agreement provided for completion of a 27-foot channel along the 2,000 miles of waterway, and allocation of electric power produced by dams along the International Rapids in the St. Lawrence. Under the proposal of Secretary Hull, the United States would proceed immediately with development of the International Rapids section of the waterway, and pay the entire initial cost estimated at \$225,000,000.⁵⁵ Canada would be allowed until

45. Dewey, *The Dominions and Diplomacy: the Canadian Contribution*, cited, pp. 113-37.

46. *Ibid.*, pp. 147-67.

47. *Ibid.*, pp. 238-77.

48. Cf. MacKay and Rogers, *Canada Looks Abroad*, cited, pp. 233-41.

49. Cf. Royal Institute of International Affairs, *The British Empire* (New York, Oxford, 1937), pp. 232-36. Mr. R. L. Bennett, former Prime Minister and leader of the Opposition, stated on May 24, 1938: “How could this country be neutral and remain in free association with the other members of the commonwealth? Yet it is to this free association that the Prime Minister committed this country in 1926. It is to this that the house gave approval. It is this that parliament has accepted. How, sir, could you have anything such as the neutrality of Canada and a free association with the other members of the commonwealth, which includes the United Kingdom?” Canada, *House of Commons Debates* (unrevised) May 24, 1938, p. 3455.

50. Scott, “Canada in the Commonwealth,” cited, pp. 438-40; F. H. Underhill, “To Protect Our Neutrality,” *Canadian Forum*, February 1938, pp. 375-76.

51. Cf. P. E. Corbett, “Isolation for Canada?” *University of Toronto Quarterly*, October 1936, pp. 120-31. “A crisis to-day would not be as severe as a crisis during a war. In other words, a crisis to-day would be a ‘preventive’ crisis. But democracies and democratic statesmen hate both preventive wars and preventive crises.” Escott Reid, “Canada and the Threat of War,” *ibid.*, January 1937, p. 153. The Prime Minister has consistently evaded the issue of the legal right of neutrality, referring to Parliament’s power to decide on participation in war, e.g., Canada, *House of Commons Debates*, January 25, 1937, vol. 211, p. 248.

52. For a useful survey of Canadian-American relations, cf. James M. Callahan, *American Foreign Policy in Canadian Relations* (New York, Macmillan, 1937).

53. Cf. P. E. Corbett, *The Settlement of Canadian-American Disputes* (New Haven, Yale University Press, 1937).

54. Cf. C. P. Wright, *The St. Lawrence Deep Waterway: A Canadian Appraisal* (New York, Macmillan, 1935).

55. *New York Times*, June 1, 1938.

1949 to begin the construction of its hydroelectric plants. The draft treaty proposes the establishment of an international commission for supervising the construction along the St. Lawrence, and planning power and scenic developments at Niagara Falls. Opposition to the project has already revived in New York State, on the ground that the waterway would damage railway and shipping facilities in New York City and Buffalo.⁵⁶

In relieving Canada of any expense with respect to the St. Lawrence waterway project, the United States government has sought a solution of the prolonged controversy over hydroelectric power. The government of Ontario, under Premier Mitchell F. Hepburn, desired to augment its exports of surplus electric power to the United States. On March 21, 1938, Secretary Hull rejected Canada's request for a separate treaty authorizing the diversion of water in the Albany river valley for purposes of power production, maintaining that the question "should be dealt with as part of a general settlement of the problem of the entire Great Lakes-St. Lawrence basin."⁵⁷ The United States opposes any increase in power imports from Canada, because curtailment of the supply—as in case of war—might jeopardize many of the industries necessary for national defense. The new treaty proposes immediate development of hydroelectric power in the United States and allows Ontario to undertake its project in the Albany river valley and other power plants as the need arises.

Constant migration in both directions across the international boundary, and unceasing expansion of economic and cultural relations have contributed to a similarity in the foreign policies of the two countries. Canada's approach to international affairs, like that of the United States, has been in the direction of moral pronouncements, as in the Pact of Paris, the peaceful settlement of disputes and disarmament, rather than of collective security and guarantee treaties. Unlike the United States, Canada has played no part in the Pan American Union. Despite the desire of many Latin American countries to secure in Canada a counterweight to the United States, the Canadian government has shown no inclination to accept membership.⁵⁸ Its reluctance results probably from the opposition of both the English-speaking portion of the population, many of whom desire not to weaken the imperial tie with Britain, and the French Canadians, whose Catholic leaders oppose any increase in cul-

tural relations with the United States. By remaining outside the Pan American Union, Canada also escapes the necessity of taking sides in disputes which might arise between the United States and Latin American republics.

RELATIONS WITH THE LEAGUE

As a member of the League of Nations, Canada has consistently opposed the "coercive" portions of the Covenant, both in order to avoid commitments for itself and to pave the way for American entrance into the League.⁵⁹ At the Peace Conference, the Canadian Prime Minister, Sir Robert Borden, recommended the deletion or amendment of Article X, on the ground that "there may be national aspirations to which the provisions of the peace treaty will not do justice and which cannot be permanently suppressed."⁶⁰ President Wilson's insistence on retaining Article X, despite the objections of Borden and members of the United States delegation, contributed to the defeat of the Covenant in the American Senate. At the first meeting of the Assembly in 1920, the Canadian delegation began a four-year attack on Article X, becoming the exponent of North American isolationism at the League. Canada's demand for complete elimination of Article X, on the ground that it imposed excessive burdens on the weaker countries and antagonized the United States, was considered at both the First and Second Assemblies, which agreed to postpone decision regarding so vital a matter.⁶¹ During the next two years, the Canadian delegates shifted their tactics by seeking modification of Article X. Following discussion in the Third Assembly of 1922, the Fourth Assembly in 1923 debated a draft resolution interpreting the guarantee clause.⁶² The resolution declared that the League Council, in recommending action in the event of aggression, should take into consideration the geographic and other circumstances of the member states; and that the extent of such action should be determined by the constitutional authorities of each member state. Although this resolution was defeated by the vote of Persia, it has been regarded as the accepted interpretation of Article X.

59. Cf. William Earl Armstrong, *Canada and the League of Nations* (Geneva, Jent, 1930); F. H. Soward, "Canada and the League of Nations," *International Conciliation*, October 1932, No. 283.

60. David Hunter Miller, *The Drafting of the Covenant* (New York, Putnam, 1928), Vol. I, p. 358.

61. League of Nations, First Assembly, Plenary Meetings, pp. 275, 246-48, 279-81; Second Assembly, Plenary Meetings, pp. 693-95, 833-35.

62. League of Nations, Third Assembly, Plenary Meetings, pp. 210-18; *Official Journal*, Special Supplement No. 13, Fourth Assembly, Plenary Meetings, pp. 75-87.

56. *New York Herald Tribune*, June 2, 1938.

57. *New York Times*, March 22, 1938.

58. *Christian Science Monitor*, April 29, 1937; C. G. Fenwick, "The Question of Canadian Participation in Inter-American Conferences," *American Journal of International Law*, July 1937, pp. 473-76.

During the prolonged negotiations of 1922-25, when France and Britain sought a formula combining security and disarmament, the Canadian government vigorously opposed every effort to augment the obligations of the Covenant. In reply to the Council's request for opinions regarding "Resolution XIV," adopted by the Third Assembly in 1922 as the basis for a new guarantee treaty, Canada expressed strong opposition to any treaties involving military commitments.⁶³ The Draft Treaty of Mutual Assistance, which was prepared in 1923 in accordance with Resolution XIV, was rejected by the British government, as well as by the Canadian government under Mr. Mackenzie King.⁶⁴ The Geneva Protocol, drafted at the Fifth Assembly of 1924 under the leadership of MacDonald and Herriot, was similarly rejected by Great Britain and the dominions.⁶⁵ Canada took no part in the preparation of the Locarno treaties in 1925, and assumed no obligations under their terms.

During the Sino-Japanese dispute of 1931-1933 and the Italo-Ethiopian dispute of 1935-1936, Canada cooperated in the unsuccessful efforts of the League of Nations to secure pacific settlement, but left active leadership to the great powers which had more direct interests at stake. Since neither Britain nor the United States, the two countries most immediately concerned in the Manchurian conquest, decided to take economic and military measures against Japan, Canada was not compelled to play an active rôle in the Far East.⁶⁶ The Canadian government joined with the other members of the Commonwealth in voting against Japan in the Assembly session of February 24, 1933, after which Japan withdrew.⁶⁷ During the Ethiopian dispute, Canada similarly cooperated in opposing the Italian invasion and in voting for the application of economic and financial sanctions.⁶⁸ In November 1935 Canada's permanent representative at the League, Dr. W. A. Riddell, introduced in the

Committee of Eighteen a measure for expanding the embargo to include oil, coal and iron, and steel.⁶⁹ In view of the general fear that an oil embargo might lead to a European war, action on the proposal was delayed, and the Canadian government later repudiated the proposal, maintaining that it represented merely the personal views of Dr. Riddell.⁷⁰ The Canadian government enforced the sanctions regulations until June 1936, when the conquest of Ethiopia caused the League Assembly to abandon its coercion of Italy. Prime Minister MacKenzie King has frequently stated that the Dominion recognizes no obligation to co-operate in sanctions, declaring on May 24, 1938 that "so far as the Canadian government is concerned, the sanctions articles have ceased to have effect by general practice and consent, and cannot be revived by any state or group of states at will."⁷¹

FOREIGN POLICY OF MACKENZIE KING GOVERNMENT

Since October 1935, when the Liberal government of Mr. Mackenzie King assumed office, the deterioration in international affairs which began in 1931 has been accelerated by armed conflict in Ethiopia, Spain and China, and by increased tension in Central Europe and the Mediterranean. The breakdown of the post-war treaty structure, the failure of the League of Nations, and the intensified "ideological" struggle for power have all contributed to a new race in armaments and aggravated the danger of another world war. Confronted by this situation, the Canadian government has sought to evolve a foreign policy which would at once safeguard the Dominion's freedom of action and contribute to the preservation of peace.⁷² The basic principles of Canadian foreign policy regarding the larger issues of war and peace have been officially stated as follows: (1) maintenance of the unity of Canada as a nation; (2) priority of British and American relations over League relations; (3) non-intervention in European and Asiatic affairs; (4) freedom from any obligation to participate in military sanctions of the League or defense of the Commonwealth; (5) freedom from any obligation to participate in economic sanctions; (6) necessity for obtaining Parliamentary approval for participation in military or economic sanctions

63. League of Nations, *Official Journal*, Special Supplement No. 16, Fourth Assembly, Third Committee, p. 129.

64. Mackenzie King to Secretary-General, July 9, 1924, *Official Journal*, Special Supplement No. 26, Fifth Assembly, Third Committee, pp. 145-46.

65. Mackenzie King to Secretary-General, March 10, 1925, *Official Journal*, 6th Year, No. 9, pp. 1213-14.

66. Cf. "Canada and the Far East," *The Round Table*, June 1933, pp. 45-58.

67. League of Nations, *Official Journal*, Special Supplement No. 112, p. 23.

68. League of Nations, *Official Journal*, Special Supplement No. 138, p. 115.

69. Canada, External Affairs Department, *Documents Relating to the Italo-Ethiopian Conflict* (Ottawa, King's Printer, 1936), p. 136; League of Nations, *Official Journal*, Special Supplement No. 146, Coordination Committee, Minutes of Second Session, p. 46.

70. Canada, External Affairs Department, *Documents Relating to the Italo-Ethiopian Conflict*, cited, p. 172.

71. Canada, *House of Commons Debates* (unrevised), May 24, 1938, p. 3442.

72. For useful surveys of books and articles dealing with Canadian external affairs, cf. the annual article entitled "Canada and Foreign Affairs," *Canadian Historical Review*, as follows: G. de T. Glazebrook, June 1935, pp. 179-90; and F. H. Soward, June 1936, pp. 179-93; June 1937, pp. 178-98.

or war; and (7) willingness to participate in international inquiries into economic grievances.⁷³

Underlying this inherently negative program are several broader objectives which determine the major decisions of the government with respect to foreign affairs. It is essential for Canada not only to avoid any situation which might jeopardize the unity of the nation, but also to prevent any conflict between Britain and the United States.⁷⁴ Canada's independence has been postulated on friendly relations between these two powers. In the event of hostilities, as in the War of 1812, the integrity of the Dominion might be threatened. This consideration, during the post-war period, compelled Canada to oppose the coercive articles of the League Covenant and to restrain Britain from assuming any far-reaching commitments in Europe. The possibility of American insistence on freedom of the seas in opposition to a British naval blockade created a serious dilemma for the Canadian government, which consequently became the leading opponent of League sanctions. The growing opposition in the United States immediately after the war to continuation of the Anglo-Japanese alliance moved the Canadian Prime Minister, Mr. Meighen, to take a strong stand at the Imperial Conference of 1921 against renewal of the pact. Largely as a result of Canadian protests, the British government was persuaded to replace the alliance by the Four Power and naval disarmament treaties at the Washington Conference of 1921-1922.⁷⁵

The increasing disequilibrium in international affairs has raised for Canada, as for the United

States, the larger issues of collective action against aggression and resistance by the democratic states to the ambitions of dictatorships.⁷⁶ Although both the Prime Minister, Mr. King, and the Minister of Defense, Mr. Ian Mackenzie, have frequently based their arguments for increased armaments on the possible dangers of the European struggle for power, Mr. King envisages no immediate threat to Canada.⁷⁷ Support of the Commonwealth in the event of a general war would probably receive the backing of the English-speaking population, especially among influential publicists and citizens of wealth and social prestige.⁷⁸

OPPOSITION TO COMMITMENTS

By constantly stressing Canada's freedom of action in international affairs and the power of Parliament to decide on participation in foreign wars, the King government represents the views of large and diverse groups of the population, including the French Canadians in Quebec, the C.C.F. (Co-operative Commonwealth Federation, the Socialist party) and many outstanding intellectuals.⁷⁹ Critics of the government assert, however, that the vagueness of official declarations and the as yet undefined issues of belligerency and neutrality indirectly commit Canada to support of the British Commonwealth. Until the right of neutrality in the event of an Empire war is vested in the Canadian government, it is contended, abstention from European or Asiatic conflicts is impossible.

Proponents of a "North American policy" excluding any commitments to either Commonwealth or League, favor the adoption of neutrality legislation even more drastic than that of the

73. Escott Reid, "Canada and the Threat of War," *University of Toronto Quarterly*, January 1937, pp. 242-53. Professor Reid's analysis, based on the statements and actions of Mr. King, was quoted with approval by the Prime Minister shortly after its publication. Mr. King added: "That, I think, is a very good statement of some of the features of Canada's foreign policy. Possibly it stresses too much what has to do with possible wars and participation in war, and it does not emphasize enough, in my opinion, what has been done in the way of trade policies and removal of causes of friction between this and other countries." Canada, *House of Commons Debates*, February 19, 1937, vol. 212, p. 1054. Cf. a commentary on this program by Mr. Paul Martin, Liberal M.P., in Canada, *House of Commons Debates* (unrevised), April 1, 1938, pp. 2094-96. In his most recent statement on foreign policy, delivered immediately after the crisis along the German-Czech frontier, Mr. King became even more isolationist. Canada, *House of Commons Debates* (unrevised), May 24, 1938, pp. 3435-50. Cf. Rideau Banks, "Yes, We Have No Policy," *Saturday Night*, June 4, 1938, p. 5.

74. B. K. Sandwell, "Canada and the Anglo-American Entente," *Queen's Quarterly*, Summer 1937, pp. 247-55; A. Jenkinson, "Canada at the Crossroads: Co-operation with Great Britain or North American Isolation," *English Review*, March 1937, pp. 291-302; T., "Canada and the Far East," *Foreign Affairs*, April 1935, pp. 388-97.

75. J. B. Brebner, "Canada, the Anglo-Japanese Alliance and the Washington Conference," *Political Science Quarterly*, March 1935, pp. 45-58.

76. Cf. J. W. Dafoe, "Canada's Interest in the World Crisis," *Dalhousie Review*, January 1936, pp. 477-84; "A Foreign Policy for Canada," *Queen's Quarterly*, Summer 1935, pp. 161-70.

77. "If we are unlikely of our own motion to take part in wars of conquest or wars of crusade, it is equally unlikely that at the present moment, with the world as it is to-day, any other country will single out Canada for attack. . . . At present danger of attack upon Canada is minor in degree and second-hand in origin. It is against chance shots that we need immediately to defend ourselves. The truth of this is recognized in every country. What may develop no one can say." Mr. King in Canada, *House of Commons Debates* (unrevised), May 24, 1938, p. 3439.

78. For the pro-British point of view, cf. George A. Drew, "Will Canada Support Great Britain?" *Maclean's Magazine*, March 1, 1938, pp. 10-11, 41-42; W. A. Griesbach, "A United Empire Front," *Queen's Quarterly*, Spring 1937, pp. 90-99. Cf. the lengthy analysis in MacKay and Rogers, *Canada Looks Abroad*, cited, pp. 282-301.

79. Cf. MacKay and Rogers, *Canada Looks Abroad*, cited, pp. 263-81; Jean Bruchesi, "A French-Canadian View of Canada's Foreign Policy," Canadian Institute on Economics and Politics, *Canada, the Empire and the League* (Toronto, Thomas Nelson, 1936).

United States.⁸⁰ Canadian unity, it is argued, cannot survive the dissension which a repetition of the World War would provoke.⁸¹ In order to prevent any assumption by the United Kingdom government that Canada will automatically participate in an Empire war, the government is urged to announce at once its policy of non-intervention.⁸² A policy of unconditional neutrality is opposed on the ground that it not only would represent a separatist movement which might destroy the Commonwealth, but that it might eventually deprive Canada of the advantages afforded by the British diplomatic and consular services throughout the world and of the protection which Canadians receive as subjects of the King.⁸³

As an alternative to Empire and League obligations, closer political relations with the United States hold equal perils for Canadian foreign policy. Although direct aggression by the United States is no longer an issue, the status of Canada in the event of a war between the United States and Japan has received considerable attention.⁸⁴ The possible danger involved in any violation of Canadian neutrality by the Japanese has led to plans for fortification and defense along the Pacific. Plans for completing the highway from Seattle to Alaska have thus far been blocked by the unwillingness of British Columbia to assume financial responsibility, as well as concern over the military importance of the road in the defense of Alaska.⁸⁵

80. Cf. address of Mr. J. S. Woodsworth, C.C.F. leader, in introducing a resolution requiring that "Canada should remain strictly neutral, regardless of who the belligerents may be." Canada, *House of Commons Debates*, January 25, 1937, vol. 211, pp. 237-41.

81. A. R. M. Lowrer, "External Policy and Internal Problems," *University of Toronto Quarterly*, April 1937, pp. 326-37; and "Foreign Policy and Canadian Nationalism," *Dalhousie Review*, April 1935, pp. 29-36.

82. "Are we content, as it were, to follow along with the policy now being followed in Great Britain? If we are not, I think we owe it to ourselves and to the British people to say so before the die is cast. Unless we do that, in the eyes of the enemy nations at least, when Britain is at war we shall be at war." Mr. M. J. Coldwell, Canada, *House of Commons Debates* (unrevised), April 1, 1938, p. 2102.

83. "I have no hesitation in saying that very many people in this country have forgotten that it is because we are part of the British Empire that we have attained the position we enjoy today in doing business abroad. Let there be no misunderstanding about that. Why is it that when questions arise affecting the position of our citizens, questions in connection with trade, commerce and nationality, the power which protects is not that of Canada?" Mr. Bennett in Canada, *House of Commons Debates* (unrevised), May 24, 1938, p. 3451.

84. For an interesting study of this problem, cf. William Strange, *Canada, The Pacific and War* (New York, Thomas Nelson, 1938), published under the auspices of the Canadian Institute of International Affairs; A. R. M. Lowrer, "America and the Pacific," *Dalhousie Review*, April 1938, pp. 45-49.

85. *Christian Science Monitor*, May 24, 1938.

CANADIAN DEFENSE POLICY

The problem of Canadian defense is patently simpler than that of the United States, as the Dominion is not responsible for the protection of a Panama Canal or an insular empire in the Caribbean and Pacific. The Department of National Defense, in which the various services were incorporated in 1922, is concerned primarily with the safeguarding of two coasts, contiguous trade routes, and neutrality, and secondarily with support of the Commonwealth or League.^{85a} The possibility of any large-scale attack upon Canadian territory is precluded at present by the oceanic distances involved and the presence of two friendly fleets—the British and United States navies. The chief immediate danger lies in submarine and air raids on Canadian ports and commerce, or use of Dominion territory for operations against the United States. The Gulf of St. Lawrence and Bay of Fundy on the Atlantic coast, and the Straits of Juan de Fuca and Georgia on the Pacific, are all vulnerable to sporadic raiding which might seriously harass North American shipping. Defense in these areas can be obtained from relatively inexpensive weapons: submarines, destroyers, mine-sweepers, bombing and combat planes, and coastal guns. While Canada will probably be able to defend its commerce in and near the major ports, it will be compelled—in event of widespread hostilities—to depend on Britain or the United States for protection on the high seas. The Dominion has few registered vessels requiring naval protection, most of its trade being carried in British and foreign bottoms. Owing to its remarkable degree of security from invasion, the Dominion has been able to reduce its army to a minimum. The Permanent Active Militia, limited by law to 10,000 and actually numbering about 4,000, provides the nucleus for a wartime force. The Non-Permanent Militia, consisting of approximately 45,000, is a volunteer citizen army which trains for very brief periods.

The current international crisis has caused the Canadian government to enlarge⁸⁶ its military and

85a. Cf. "Canuck," "The Problems of Canadian Defense," *Canadian Defense Quarterly*, April 1938, pp. 264-73; Bt. Lieut.-Colonel E. L. M. Burns, "The Defense of Canada," *ibid.*, July 1936, pp. 379-94; Major E. Lisle, "Can Canada Defend Herself?" *ibid.*, January 1936, pp. 149-65; "The Canadian Defense Dilemma," *The Round Table*, June 1937, pp. 547-56.

86. Finance Department, *Estimates for the Fiscal Year Ending March 31, 1939*. Supplementary estimates will probably increase the 1939 expenditures to \$36,000,000 or more. Public works programs in recent years, including aerodrome construction, have involved additional expenditures not shown in the defense budget. For recent analyses of Canadian defense policy, cf. J. H. Merter, "Is Canada Ready to Fight?" *Canadian Business*, April 1938, pp. 16-19; David Martin, "Canada: Our Military Ward," *Current History*, June 1938, pp. 21-23.

naval program, increasing appropriations from \$17,000,000 in 1936-1937, to \$36,000,000 in 1937-1938, and \$34,000,000 in 1938-1939. Immediate purchase of two new destroyers and 75 airplanes is planned, as well as the development of air bases at Aliford Bay, Queen Charlotte Islands, Patricia Bay, and Prince Rupert on the Pacific, and at Dartmouth, Sydney, Truro and Yarmouth on the Atlantic.⁸⁷ The problem of establishing shadow factories is being investigated by the National Defense Department, which has surveyed over 700 plants.⁸⁸ Orders have been placed by the British government for the manufacture of machine guns and airplanes in Canada.⁸⁹ Although considerable opposition has arisen to this implied involvement in Empire diplomacy, the government's armament program has been upheld in the Canadian Parliament and in several by-elections.

CONCLUSION

The uncertain and negative character of Canada's foreign policy is due to several fundamental contradictions in the life of the country. The Dominion finds itself in the anomalous position of being economically a major and politically a minor power. Its future depends on improved conditions for international trade—expanding export markets, currency stability, political appeasement, and general prosperity—yet Canada is unable to wield the diplomatic influence which might enhance its commercial position. The Dominion is geared to the national economies of Great Britain and the United States, and to a considerable extent moves backward or forward at their speed. Canadian prosperity thus depends to an unusual degree on the prosperity of these two countries, and on their ability to remove the danger of war and restore international trade. Since the current trend toward national self-sufficiency, fostered by the threat of war and the tariff policies of the major powers, jeopardizes the bases of the Canadian economy, the Dominion benefits in the long run from the Hull trade program and every British effort at European appeasement.

The danger to Canada from the spread of war and diplomatic tension arises also from its ambiguous ties to the Commonwealth. The Dominion, which automatically becomes a belligerent in event of a British war, may possibly find that its legal obligations preclude any decision to abstain from active participation. The constitutional power of the Canadian Parliament to decide on partici-

pation will therefore remain incomplete until the right of declaring neutrality is obtained. Settlement of this question is rendered difficult for the Canadian government by growing instability in international affairs, for any intimation of dissension within the Commonwealth might weaken Britain's position in Europe or the Far East. Mere acquisition of the legal right of neutrality, however desirable in itself for Canada, does not of course necessitate a policy of neutrality in the face of emergency. While the Dominion could probably remain as aloof from brief or localized disturbances as it has in the past, any prolonged or general conflict in which Britain's safety was threatened would almost inevitably require active participation by Canada. Large purchases of Canadian wheat and munitions, already begun under Britain's program of rearmament and food storage, would reinforce existing economic, political and sentimental ties.

Canada's position in world affairs is also affected by the growing power of the United States and its economic and cultural influence on every aspect of Dominion life. While profiting from the protection which the United States navy would afford against any serious threat to Canadian territorial integrity, the Dominion contemplates with some alarm its position as an "innocent bystander" in the struggle for power in the Pacific. Inasmuch as either neutrality in a war between the United States and Japan or belligerency in an Anglo-Japanese conflict would force Canada into a highly unsatisfactory position, any move toward appeasement in the Far East is to the advantage of the Dominion.

Post-war developments have emphasized the essentially North American quality of Canada's foreign policy. From the Versailles conference, where subsequent events proved Sir Robert Borden rather than President Wilson the more accurate spokesman for the New World, to the Spanish civil war, in which both countries proclaimed their neutrality, Canada has pursued a policy almost identical—*mutatis mutandis*—with that of the United States. The future holds for both North American countries the same promise of economic and political progress if the menace of a general war can be averted, and the same promise of economic distress and internal disunity in case of war—even greater perhaps in the case of Canada. The refusal of the Canadian government either to acknowledge commitments to Commonwealth or League, or declare unconditional isolation, is therefore based on geographic, ethnic and economic considerations which are accentuated by the continuing deterioration in world affairs.

87. *New York Herald Tribune*, March 25, 1938.

88. *New York Times*, April 14, 1938.

89. *New York Herald Tribune*, May 15, 1938.